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C O N F I D E N T I A L SECTION 01 OF 04 CAIRO 005650

SIPDIS

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TAGS: [PTER](#) [PGOV](#) [CASC](#) [ASEC](#) [ECON](#) [EG](#)
SUBJECT: EGYPT REACTING TO SHARM BOMBINGS

REF: A. CAIRO 5622
 1B. CAIRO 5619

Classified by Charge d'Affaires Stuart Jones for reasons 1.4
(b) and (d).

Summary

11. (C) Egypt remains shocked and is struggling to digest the terrorist attacks in Sharm el-Sheikh in the early hours of July 23, the country's official national holiday. The attacks, three separate bombings targeting one of the country's premier tourist destinations, appear to be the deadliest single terrorist incident in Egypt's history. Calculating the death toll is still an approximate exercise. Egyptian recovery teams which had discovered 62 corpses and 20 bags of body parts by the morning of July 24. In mid-afternoon they found 35 more bodies in the rubble of the Ghazala Gardens hotel in Na'ama Bay, bringing the total of dead to at least 97 - a figure that will inevitably climb. President Mubarak went on the offensive, visiting the bomb site, issuing a defiant statement vowing to battle terrorism to the end, and proceeded to a second Red Sea resort to reassure tourists there.

12. (C) Theories on responsibility vary widely, with some Egyptians maintaining that the perpetrators "must" have been outsiders, given that ordinary Egyptians bore the brunt of the attacks. Others speculate that the attacks were homegrown, linked to conspirators responsible for the Taba/Nuweiba bombings in October 2004, with their Sinai-Bedouin connections. Some Cairo-based activists have been attempting to organize a vigil in solidarity with the victims and protesting the attacks, but initial responses were lukewarm. Contacts in the tourism industry were gloomy but noted that it was still too early to measure the impact of the attacks. Some tourism contacts express the grim hope that with the recent attacks in London, and other incidents such as the 2004 Madrid bombing, tourists will view terror attacks as a tragic fact of life and not be deterred from plans to visit Egypt. End summary.

Body Count

13. (C) All the casualty figures cited in the media remain approximate, as Egyptian recovery teams continue to sort through the three blast sites in Sharm el-Sheikh. The most devastated site was the Ghazala Gardens Hotel in the heart of Na'ama Bay, the center of Sharm's night life, featuring dozens of restaurants, open-air cafes, and nightclubs. The Embassy team of consular and security officers which arrived in Sharm by mid-morning of the 23rd advised that recovery teams had collected 62 corpses and twenty bags of body parts. By mid-afternoon, recovery teams had pulled 35 more bodies from the wreckage of the targets, bringing the total dead to 97 - a number certain to climb to well over 100.

14. (C) Given the density of foreign tourists in Sharm and Na'ama Bay, the number of confirmed foreign dead remains surprisingly small - approximately eight. One AMCIT who had been in Sharm with her British friend has been confirmed killed in the explosion (septel follows). European diplomats advised us that at least one Italian was dead and another gravely injured while the British Embassy believed, but was still working to confirm, that "several" Britons were dead. The Germans and French believed none of their nationals were among the dead or severely wounded.

A Bitter Pill

15. (C) Egyptians are having trouble digesting the grim news from Sharm el-Sheikh. As noted septel, the overall tone of media reactions has been defiant and indignant. Even journalists like Abbas Tarabilly, editor of the Wafd opposition newspaper, who never misses a chance to attack U.S. policy, wrote that such an attack was inexcusable, though he allowed that the incident was "somehow connected" to Israeli and Anglo-American aggression.

16. (C) On the evening of July 23, Egyptian state television

broadcast interviews with victims, mainly ordinary Egyptians still bloodied as they lay in wards in hospitals in Sharm el-Sheikh and nearby Tor, the administrative capital of South Sinai governorate. Several Egyptian viewers told us they were impressed by state TV's coverage, which they found uncharacteristically timely, frank, and thorough. Another Egyptian told poloff he had been moved and disturbed by these pictures, adding that he was certain the perpetrators must have come from abroad. He could imagine violent Egyptian fundamentalists targeting foreigners, he said, whom they dislike for their skimpy clothing and perceived loose morals, but the targets chosen, the Ghazala Garden and Sharm's old market, were heavily populated with ordinary Egyptians.

17. (C) A European diplomat told poloff that Egyptians in Sharm are speculating that the attack was perpetrated by local bedouin, in retaliation against the state for the mass arrests of Bedouins that followed the October 7, 2004 attacks on Israeli tourists in Taba and Nuweiba. The GOE identified a poor resident of Al-Arish, of Palestinian origin, as mastermind of the October attacks, implemented in cooperation with a group of Sinai bedouin, most of whom had petty criminal records. Human Rights Watch has accused the GOE of arresting and mistreating as many as 2,400 Sinai residents, particularly young men in and around al-Arish, North Sinai, in the months following the October 7 incidents.

Mubarak Out Front

18. (C) President Mubarak has been much more active, publicly, in response to the July 23 Sharm incident than he had been after either the October 2004 Sinai attacks or the April 2005 Cairo incidents. As noted ref A, Mubarak flew to Sharm within hours of the incident, to visit survivors in hospital and supervise rescue and security response operations. Mubarak subsequently flew to Hurghada, second only to Sharm in Red Sea tourism, and did a "walkabout" to reassure foreign tourists. The visit was widely reported in domestic and international media.

19. (U) Mubarak's public remarks on the incident, broadcast live on Egyptian TV and repeated numerous times on Egyptian and regional Arabic stations, were decisive and defiant. The following are excerpts from his remarks, as transcribed by FBIS:

Begin Text

"I, with all Egyptians supporting me, stress that the powers of terrorism will not divert Egypt from its march to achieve peace and stability for its sons, region and nation. We will never relinquish Egypt's national security and we will not allow anyone to threaten its stability.

"I would like to offer my sincere condolences to the families of the victims. I stress our resolve to crack down on terrorism and all that it represents in terms of putting fear into the innocent citizen and directly threatening the lives of his children.

"We will continue our battle against terrorism with all our force, determination and will. We will neither submit to its blackmail nor compromise with it. We will protect Egypt's security, stability, and the future of its sons from its threats and dangers."

End text.

Symbolic Target, Date

10. (C) Much of the public commentary, and private reactions among Egyptians to the July 23 attacks, noted the irony and symbolism of targeting Sharm el-Sheikh, which the GOE likes to tout as the "city of peace," particularly given its history as a venue for international summits and ministerial conferences. Many have also noted that the attack occurred on July 23, the anniversary of the Egyptian army's overthrow of the monarchy and establishment of the modern republic. Sharm is also a favored retreat of President Mubarak, who maintains a residence just two miles north of Na'ama Bay, and has become a major symbol of Egypt's tourist industry. Many international travel agencies, particularly in Western Europe and Russia, run regular charter flights directly into Sharm el-Sheikh International Airport.

Impact on the Tourist Industry

11. (SBU) Maintaining that it is still too early to gauge the ultimate effects of the attacks on Egypt's most lucrative industry, Embassy contacts and analysts fear that the attacks will devastate the industry in Sharm el Sheikh and the Red

Sea coastal resorts, with a perceptible, although less pronounced, impact in other regions.

¶12. (SBU) In Sharm, industry contacts are waiting for the start of the European work week to fully assess long-term cancellations, although they fear the remainder of the summer season may be lost. Regarding immediate cancellations and departures, Egyptian television is reporting occupancy rates in the resort as having dropped from 100 percent to 80 percent; press and anecdotal reports claim the majority of those leaving the resorts are Egyptian with foreigners largely staying put. However, press reports also cite the decision of Thomas Cook, Europe's second-largest travel agency, to suspend all flights to Sharm and the arrival in Egypt of additional European charter flights to ferry home early-departing travelers.

¶13. (SBU) Anecdotal evidence that the attacks are affecting areas far from the Red Sea resorts is also beginning to emerge. A manager of a large American-owned hotel in the Zamalek district of Cairo reports that reservation calls are half their daily average for the season while daily cancellations are three times the average. He noted the cancellations were individual cancellations, not from travel agencies, which he expects will increase when Europe opens for business Monday. He also noted, however, that the hotel's occupancy rate jumped six points yesterday from what he interpreted as an increase in walk-in business from Gulf Arabs leaving Sharm for more secure surroundings in Cairo.

¶14. (SBU) Garry Friend (protect), manager of the Grand Hyatt in Cairo, who was previously manager of the Hyatt in Sharm, reports that Hyatt's large Sharm hotel, though undamaged in the attacks, was "emptying out." He also reported that German tour operator TUI has cancelled all of its charters to Sharm for at least the next few days. Friend said that he expects Sharm to be "off everyone's list" as a travel destination for at least the next few months. At the same time, Friend noted, the Cairo Hyatt is still booked at better than 90 percent capacity, mostly Gulf Arab vacationers who have no plans to cancel.

¶15. (SBU) Amr Badr, head of the high-end Abercrombie & Kent tour operation in Egypt, estimated the immediate impact of the attack (damage to facilities, immediate cancellations, disruptions to business) at LE 600-700 million (\$100-120 million). Badr noted a pair of high-profile cancellations (one from a wealthy U.S. businessman who had cancelled a \$50,000 booking at the insistence of his security staff) but cautioned against drawing conclusions based on anecdotal cancellations. The head of the American Express travel operation in Egypt reported no cancellations "yet," but also cautioned that the next few days will be key.

¶16. (SBU) Hoteliers in Egypt's Mediterranean hub of Alexandria, popular mostly with local and or other Arab tourists in the summer months, report no cancellations thus far and don't anticipate an immediate negative impact.

¶17. (SBU) Comment: Citing terror attacks in recent years in New York, Madrid, London, Turkey and elsewhere, our tourism contacts express a grim hope that international travelers have simply become acclimated to a higher risk of political violence and are less ready to cancel travel plans as a result. They often cite the negligible impact of the Taba/Nuweiba attacks last October as evidence. Only after tour operators go back to work in Europe in the next few days will we be able to judge if this optimism is justified. End comment.

Solidarity Vigil

¶18. (SBU) A number of Egyptians active in Cairo's nascent but growing "protest community" have, in the past 24 hours, been working to organize a vigil in Cairo to condemn the Sharm bombings and express solidarity with its victims. The proposal prompted debate on popular Egyptian blog sites on July 23, with some arguing that Egyptians had no need to "prove to the West that they were innocent" or "apologize for the criminals who did it." Explaining his call for the vigil, one of the organizers wrote on his website "What happened in Sharm el-Sheikh was a heinous cowardly destructive act that should be condemned. What happened has no excuse or justification. The supreme majority of those who were injured or died are Egyptians and the people who will suffer the most from the repercussions will be us Egyptians as well."

¶19. (SBU) The effort to stage a vigil, however, did not appear likely to yield a large turnout as of mid-afternoon on July 24. One of the organizers received lukewarm to cool reactions from other groups recently active in organizing political demonstrations in Cairo. The frustrated organizer posted the following reaction: "The anti-Mubarak, Kifaya,

Ayman Nour people disgust me with their indifference...they tell us they are not interested (in the solidarity vigil), it may not benefit them politically...This isn't about being pro or anti-Mubarak. This is about Egypt and what happened to it..."

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JONES